

NOT FOR CIRCULATION
FOR PERSONAL USE OF TRUSTEES ONLY

STATEMENT OF THE BUSINESS MANAGER

JUNE 14, 1904

TO THE BOARD OF TRUSTEES NORTHWESTERN UNIVERSITY

RELATING TO THE FINANCIAL TRANSACTIONS OF THE FIRST
ELEVEN MONTHS OF THE PRESENT FISCAL YEAR, JULY 1, 1903, TO JUNE 1, 1904,
ALSO CERTAIN OTHER ITEMS OF INTEREST



OFFICE OF BUSINESS MANAGER
NORTHWESTERN UNIVERSITY

EVANSTON, ILL., June 14, 1904.

To the Board of Trustees Northwestern University:

I respectfully submit the appended statements:

- No. 1: A general statement with remarks and explanations relative to cash receipts and disbursements for the period from July 1st, 1903, to June 1st, 1904.
- No. 2: A general statement showing receipts and disbursements on Budget and Sundry Accounts with the estimated income and the appropriations against them (made early in the year), for comparison with explanatory notations.
- No. 3: An itemized statement of receipts and disbursements on all other accounts except the budget account.
- No. 4: A condensed statement showing increases and decreases in assets and liabilities affected by cash transactions during the period named.
- No. 5: An itemized statement showing the increases and decreases in assets and liabilities affected by cash transactions during the period named.
- No. 6: A comparative statement of total yearly cash receipts and total yearly cash disbursements for the period from September 1st, 1894, to June 1st, 1904, showing in totals annual budget income receipts and annual budget income disbursements; also in totals annual cash receipts and annual cash disbursements on asset and liability accounts.
- No. 7. Statement of assets and liabilities June 1st, 1904.

Under the present system of accounting, recently installed, statements like the above can be prepared from the books with little trouble and expense by any well qualified accountant, and can be verified easily by the books themselves, which I would be pleased to have you examine and inspect.

Very respectfully yours,

William A. Dyck

Business Manager.

STATEMENT No. 1.

STATEMENT RELATIVE TO ANNUAL BUDGET.

FIRST ELEVEN MONTHS OF FISCAL YEAR, NAMELY
FROM JULY 1, 1903, TO JUNE 1, 1904.

The budget sets forth the estimated income from rents, interest, tuition, fees, etc. It also sets forth the estimated expenditures for all fixed charges such as interest, insurance, maintenance of property, pay rolls, supplies, materials, etc.

It makes no reference to any possible receipts from the sale of property, real or personal, from gifts, from changes in investments, from insurance, etc. These are called Sundry Accounts.

It makes no appropriation to reduce the liabilities of the University or to increase its assets except as they may be increased by added equipment, etc.

BUDGET ESTIMATES—DRAFT OF OCTOBER, 1903, Etc.

The estimated Income (October, 1903) for the fiscal year was.....	\$ 518,254.88
The estimated Expenses (October, 1903,) for the fiscal year were.....	512,181.87
Unappropriated estimated income.....	\$ 6,073.01
Subsequent appropriations from income have been amounting to.....	\$ 9,471.43
Making a total appropriation from income.....	521,653.30

BUDGET INCOME RECEIPTS.

Estimated Income as above stated ...	\$ 518,254.88
Actual Income to June 1st, 1904, as shown in Statement No. 2.....	504,228.36
Balance to be collected by July 1st, ac- cording to this calculation ...	\$ 14,026.52

JUNE BUDGET RECEIPTS ESTIMATED.

I estimate our income from June 1st to
July 1st (close of fiscal year) as
about\$ 19,500.00

I make this estimate on the following
basis:

That we will receive during the month
of June rent from Evanston lease-
holders\$ 4,400.00
Booth Building 3,000.00
Dock property, and Maxwell St. prop-
erty 220.00
Improved property in Evanston 450.00
Willard Hall receipts..... 700.00
College Receipts 115.00
Academy receipts 320.00
School of Music 908.80
N. U. Building Rents 3,199.97
Law School 436.00
Pharmacy School 264.00
Dental School 1,535.80
Medical School 4,000.00

Making a total\$ 19,549.57

I believe the estimate is a reasonable one, and if it holds good our
income receipts will exceed estimates made last October by \$5,523.05.

BUDGET DISBURSEMENTS.

Present appropriation of Budget in-
come, as shown above is\$ 521,653.30
Additional appropriations made from
Special Expense and other funds
not income proper 5,141.89

Total appropriations for the year as
shown in first column in statement
No. 2 column No. 1..... \$ 526,795.19
Actual disbursements to June 1st, as
shown in statement No. 2, column
No. 2 507,876.81

Budget appropriations unexpended
June 1st 18,918.38

JUNE BUDGET DISBURSEMENTS ESTIMATED.

I estimate our budget income disbursements from June 1st to July 1st (close of fiscal year) to be about . . . 38,000.00

I make this estimate on the following basis:

Pay roll	\$ 23,500.00
Insurance	763.50
Evanston Hospital	250.00
University General and Evanston Departments	6,100.00
Chicago Departments	7,223.84
	<u>\$ 37,837.34</u>

BUDGET DEFICIT ESTIMATED FOR THE YEAR.

Summary relating to Budget account as follows:

Total Budget disbursements as per Statement No. 2, Column No. 2	\$ 507,876.81
Total Budget receipts as per Statement No. 2, Column No. 5	<u>504,228.36</u>

Budget apparent debit balance	3,648.45
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Add to this

Estimated Budget disbursements for June as per above,	<u>37,887.34</u>
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Total	\$ <u>41,535.79</u>
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Deduct from this

Estimated Budget receipts for June as per above	<u>19,549.57</u>
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Would make

Apparent deficit in Budget account for year	\$ 21,986.22
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Deduct from this

Expenditures made through Budget account during the year appropriated from Special Expense and other General Ledger accounts (referred to above)	<u>5,141.89</u>
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Will give estimated Budget deficit for the fiscal year ending June 30, 1904, of	<u>\$ 16,844.33</u>
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RELATIVE TO BUDGET BALANCES
AND SUNDRY ACCOUNTS.

In statements made in March, April and May to the Finance Committees the budget receipts were far in excess of the budget expenditures, and cash and sundry accounts showed an equal debit balance.

These balances fluctuate greatly during the year. In the summer months when there is no tuition income the sundry accounts are called on to finance the Institution for several months. When students' tuition and fees are paid the debit balance of the budget account is wiped out, and this account in turn for several months takes care of financing the Institution, etc.

Statement No. 6 shows the great magnitude at times of the sundry accounts. Large temporary loans are frequently needed to finance the operations of the University.

The ideal way to avoid this condition is such an increase in the unrestricted endowment that the Institution can live not only within its income but save enough out of it to create gradually a working capital.

The Executive Committee has inaugurated the policy of selling some of the non-productive lands in Evanston. In so far as this results in decreasing our debt, it is in my opinion, wise. Though it decreases assets, it also decreases liabilities and thus places the University in a safer position, and a saving in interest charges will be a great relief.

Statement No. 2, column 2 and column 5, show that

We have disbursed on sundry accounts from Sept. 1,	
1903, to June 1, 1904.....	\$ 163,482.74
We have received on sundry accounts from Sept. 1, 1903,	
to June 1, 1904.....	162,369.63
Disbursements exceeding receipts by.....	\$ 1,113.11

This balance, together with the budget balance, is fully accounted for in the Cash Statement appearing in Statement No. 2.

STATEMENT No. 2.

GENERAL STATEMENT OF RECEIPTS AND DISBURSEMENTS.

FROM JULY 1, 1903, TO JUNE 1, 1904.

1	2		3	4	5	6
APPROPRIATIONS FOR THE YEAR	DISBURSEMENTS TO DATE	DEPARTMENT	RECEIPTS TO DATE			ESTIMATED INCOME OF THE YEAR
			INCOME	SALES AND REBATES	TOTALS	
109,882.32	108,584.62	1 University General	145,688.02	503.28		146,557.96
20,713.62	22,600.05	2 Willard Hall	21,513.45	49.20		22,671.52
12,123.92	11,395.85	3 Orrington Lunt Library		6.45		
116,144.33	106,905.41	4 College.	53,726.67	430.00		52,253.19
22,080.76	19,714.59	5 Academy	15,060.75	31.50		15,000.00
31,758.42	27,101.38	6 School of Music	34,019.91	1,108.20		31,068.21
27,038.35	34,275.26	7 N. U. Bldg. and Univ. Gen. . . .	24,061.67	347.81		28,000.00
27,918.72	25,721.49	8 Law School	16,142.04	501.87		23,000.00
25,435.00	23,278.41	9 Pharmacy School	28,562.70	4.28		30,000.00
61,250.00	57,571.59	10 Dental School	81,287.49	107.21		96,000.00
72,449.75	70,728.16	11 Medical School	81,075.86			73,704.00
526,795.19	507,876.81	Budget Totals.	501,138.56	3,089.80	504,228.36	518,254.88
	163,482.74	12 Sundry Accounts. . . .			162,369.63	
	671,359.55	Grand Totals.			666,597.99	

CASH STATEMENT

Receipts as per above.	666,597.99
Apparent overdraft June 1st, 1904.	28,306.41
Paid overdraft of July 1st, 1903.	23,544.85
Disbursements as per above.	671,359.55
	694,904.40

BUDGET ACCOUNT

Budget Disbursements, as per above.	507,876.81
" Receipts, as per above.	504,228.36
" Budget Debit Balance June 1st.	3,648.45

BUDGET APPROPRIATIONS

From Income.	521,653.30
From Special Expense Fund and other Gifts	5,141.89
Total as shown above.	526,795.19

BUDGET ACCOUNT, JUNE 1, 1904

Amount due to clear Spl. Exp. Fund and other appropriations	5,141.89
Debit Balance as per above.	3,648.45
Budget Credit Balance June 1st (Actual).	1,493.44

SUNDRY ACCOUNTS

Disbursements as per above.	163,482.74
Receipts as per above.	162,369.63
Difference.	1,113.11

STATEMENT No. 3.
SUNDRY ACCOUNTS.
STATEMENT OF TOTAL RECEIPTS AND
DISBURSEMENTS.

FROM JULY 1ST, 1903, TO JUNE 1ST, 1904.

	DISBURSE- MENTS.	RECEIPTS.
Academy Profit and Loss Account		\$24.00
American Institute of Germanics	\$ 286.17	590.00
Alumni Record	1,009.50	58.30
Athletic Association	310.29	
Bills Payable	76,700.00	70,000.00
Bills Receivable—Sundries	2,745.72	2,488.05
Bills Receivable—Endowment Investments	3,000.00	10,350.00
Bonds of 1913	12,900.00	
Baker, Adaline		60.00
Buildings and Lands used for educational purposes	257.50	
Coal Account	7,126.06	7,659.03
College Y. M. C. A.	498.48	588.07
Chapin Hall Expense	349.28	142.33
College Conference		41.92
College Profit and Loss Account	18.00	376.70
Contribution to Law School		5.68
Cash in hands of Agents		7,179.08
Dormitory Fire Loss Account	1,769.14	85.77
Donations to German Department		225.00
Dental School Profit and Loss Account	835.22	
Donation—M. H. Wilson		50.00
Fisk Celebration	1,399.95	753.80
Grand Stand Fire Loss Insurance		75.00
Gary Collection and Disbursements	4,052.58	1,946.68
Garrett Biblical Institute	227.09	5,682.61
Gift—M. C. Bragdon (College Furniture)		100.00
Gift—Dr. N. S. Davis, Sr., (Medical Research Fund)		100.00
Endowment—Dr. N. S. Davis, Sr., (Davis Pro'ship Physiology)		1,000.00
Hull, Mary H.	257.90	670.00
Hendricks, H. P., Clerk (Office Cash)	2,151.58	
James, James A.—Loan Account	4,700.00	
Kendall, R. B.	159.97	495.00
Law School Rent Account	2,500.00	2,500.00
Law School Profit and Loss Account	110.38	60.50
Law School Library and Equipment	898.50	
Marcy Scholarship	50.00	
Maynard, H. S., Cashier	765.26	1,834.05
N. U. Building Fire Loss Account	16,738.57	27,379.00
Pharmacy Book Account	1,815.79	1,892.17
Parkhurst, Mary H.	75.75	75.75
Real Estate—Non-Productive	62.50	6,250.00
Real Estate—Productive		2,567.50
Students' Printing Account—Law	79.37	23.00
Special Expense Fund (against no appropriation)	250.27	
State Bank of Evanston (Law School Special)	105.68	606.45
Summer Salary Account	150.00	87.00
Secondary School Conference	193.63	119.00
Students' Loan Fund	1,536.00	1,362.37
School of Oratory	2,600.00	2,600.00
Tuition Notes	5,473.75	3,928.00
Tremont House (Old Bills)	6,898.95	
Trust Fund—Class of 1906		100.00
Taxes and Assessments on Leaseholders' Accounts	1,414.01	
University General Profit and Loss Account	205.85	75.00
Woman's Medical School Account	804.05	171.82
Total Disbursements	\$ 163,482.74	
“ Receipts		\$ 162,369.63

STATEMENT NO. 4.

GENERAL STATEMENT SHOWING INCREASES AND DECREASES IN ASSETS AND LIABILITIES AS AFFECTED BY CASH RECEIPTS AND DISBURSEMENTS.

FROM JULY 1, 1903, TO JUNE 1, 1904.

LIABILITIES—DECREASED BY CASH DISBURSEMENTS:			
Bills Payable	19,600.00		
Sundry Department, Profit and Loss Account	633.25		
Buildings and Lands—Educational	257.50		
Accounts Payable	10,922.86		
Total Liability Decreased		31,413.61	
LESS LIABILITIES INCREASED BY CASH RECEIPTS:			
Overdraft at Bank increased	4,761.56		
Gifts—Trust Funds and Endowments	3,521.68		
Accounts Payable	11,979.96		
Total Liability increased		20,263.20	
NET DECREASE IN LIABILITIES			11,150.41
ASSETS—DECREASED BY CASH RECEIPTS:			
Cash in hands of Agents	8,247.87		
Bills Receivable—Endowment Funds	10,350.00		
“ “ Sundries	2,488.05		
Non-productive Real Estate—Sales	6,187.50		
Productive Real Estate	2,567.50		
Accounts Receivable	6,540.26		
Total Assets Decreased		36,381.18	
LESS ASSETS INCREASED BY CASH DISBURSEMENTS:			
N. U. Building (old bills paid)	6,898.95		
Law Library and Equipment	898.50		
Bills Receivable—Tuition Notes	1,545.75		
“ “ Endowment Funds	3,000.00		
“ “ Sundries	2,745.72		
Accounts “	6,493.40		
Total Assets increased		21,582.32	
NET DECREASE IN ASSETS			14,798.86
			3,648.45

The difference between Net Decrease in Assets and Net Decrease in Liabilities, viz.:
3,648.45 is amount due from Budget Account June 1, 1904, as shown.
Itemized Statement of the above is appended hereto.

STATEMENT

COMPARATIVE STATEMENT OF TOTAL YEARLY CASH
FOR THE PERIOD FROM SEI
SHOWING ANNUAL BUDGET INCOME RECEIPTS AND ANNUAL BU
ANNUAL CASH DISBURSEMENTS ON S

CASH RECEIPTS.		SEPT. 1, 1894, TO SEPT. 1, 1895.	SEPT. 1, 1895, TO SEPT. 1, 1896.	SEPT. 1, 1896, TO SEPT. 1, 1897.	SEPT. 1, 1897, TO JULY 1, 1898.
University, General	1	61,339.29	\$ 15,972.97	\$ 40,443.25	\$ 89,574.90
Willard Hall	2	21,128.73	20,225.65	20,465.28	16,196.71
Orrington Lunt Library	3				
College	4	26,816.61	30,469.29	28,797.66	36,298.57
Academy	5	14,219.37	13,574.55	11,848.29	12,838.76
School of Music	6		10,337.08	12,539.60	15,858.94
N. U. Building & City Univ' Gen'l.	7				
Law School	8	15,628.60	19,853.40	18,829.77	14,026.23
Pharmacy School	9	35,121.56	30,313.99	25,180.81	20,414.27
Dental School	10	17,454.31	17,640.34	68,162.44	50,001.71
Medical School	11	30,684.26	32,963.11	35,785.47	43,268.97
Woman's Medical School	12	9,848.35	10,935.50	10,346.68	8,570.00
Yearly Income Receipts		\$ 232,241.02	\$ 202,285.88	\$ 272,398.65	\$ 307,049.06
Receipts on Sundry Accounts	13	275,498.63	253,746.10	1,156,035.26	154,176.28
*Total Yearly Receipts		\$ 507,739.65	\$ 456,031.98	\$1,428,433.91	\$ 461,225.34

CASH DISBURSEMENTS.		SEPT. 1, 1894, TO SEPT. 1, 1895.	SEPT. 1, 1895, TO SEPT. 1, 1896.	SEPT. 1, 1896, TO SEPT. 1, 1897.	SEPT. 1, 1897, TO JULY 1, 1898.
University General	1	\$ 10,500.01	\$ 12,525.61	\$ 19,569.31	\$ 33,220.40
Willard Hall	2	20,187.91	17,533.81	19,109.95	16,747.79
Orrington Lunt Library	3		3,056.59	2,610.04	3,848.60
College	4	66,663.77	60,174.41	61,118.43	75,078.30
Academy	5	19,692.89	18,732.00	19,056.44	17,591.85
School of Music	6		10,337.08	12,539.00	15,858.94
N. U. Building & City Univ' Gen'l.	7				
Law School	8	16,664.06	17,694.92	17,798.41	15,765.72
Pharmacy School	9	31,784.22	33,639.35	30,462.88	26,324.88
Dental School	10	23,397.18	22,931.02	67,905.03	47,918.52
Medical School	11	29,756.31	35,352.39	32,665.07	31,928.77
Woman's Medical School	12	8,692.23	9,221.17	9,849.65	18,317.25
Yearly Income Disbursements		\$ 227,338.58	\$ 241,198.35	\$ 292,684.21	\$ 302,601.02
Disbursements on Sundry Accts	13	279,625.85	213,992.11	1,149,848.70	125,882.80
*Total Yearly Disbursements		\$ 506,964.43	\$ 455,190.46	\$1,442,532.91	\$ 428,483.82

*Totals do not include office clearances, except in 1903 and 1904. † Department Disbursements on

CASH STATEMENT.

Sept. 1, 1894—Cash Balance on hand		\$ 1,843.69
Receipts for the period		7,103,261.44
Disbursements for the period	\$7,133,411.54	
June 1, 1904—Apparent overdraft		28,306.41
	\$7,133,411.54	\$7,133,411.54

STATEMENT No. 5.

ITEMIZED STATEMENT SHOWING INCREASES AND DECREASES
IN ASSETS AND LIABILITIES AFFECTED BY CASH
RECEIPTS AND DISBURSEMENTS.

FROM JULY 1ST, 1903 TO JUNE 1ST, 1904.

LIABILITIES—DECREASED BY CASH DISBURSEMENTS:			
Bills Payable—At Bank	5,000.00		
Curtis Notes	300.00		
Bonds of 1913	12,900.00		
Crews Notes	1,400.00		
		19,600.00	
Sundry Dept. Profit and Loss Accts		633.25	
Buildings and Lands (Educational)		257.50	
Accts. Payable—Dormitory Fire Acct	1,683.38		
Gary Fund Disbursements	4,052.58		
James A. James Loan Acct	4,700.00		
Summer Salary Accounts	63.00		
Special Expense Fund	250.27		
Students' Loan Fund	173.63		
		10,922.86	
Total decrease in Liabilities by cash Disbursements			31,413.61
LESS LIABILITIES—INCREASED BY CASH RECEIPTS			
Overdraft at Bank increased		4,761.56	
Gifts, etc.—M. H. Wilson	50.00		
M. C. Bragdon	100.00		
To German Department	225.00		
Gary Collection	1,946.68		
Trust Funds, N. S. Davis, Sr., (Med. Rech.)	100.00		
Class of 1906	100.00		
Endowments—N. S. Davis, Sr. (Davis Prof'p)	1,000.00		
		3,521.68	
Accts. Payable—Am. Institute of Germanics	303.83		
N. U. Building Fire Loss	10,640.43		
College Y. M. C. A.	89.59		
Mary H. Hull	412.10		
Grand Stand Fire Loss	75.00		
R. B. Kendall	335.03		
College Conference	41.92		
Contribution to Law School	5.68		
Pharmacy Book Account	76.38		
		11,979.96	
Total increase in Liabilities by cash Receipts			20,263.20
NET DECREASE IN LIABILITIES FOR THE PERIOD AFFECTED BY CASH TRANSACTIONS			11,150.41
ASSETS—DECREASED BY CASH RECEIPTS:			
Cash in hands of Agents		8,247.87	
Bills Receivable—Endowment Fund—			
Hall	2,000.00		
Orchard	350.00		
Ulrich	2,000.00		
Garrett Biblical Institute	3,000.00		
M. B. Dyche	3,000.00		
		10,350.00	
Bills Receivable—Sundries			
Blake	20.00		
Umbria	10.00		
Lyman	4.00		
Housel	300.00		
Cummings	1,000.00		
James, J. A.	154.05		
Towle	1,000.00		
		2,488.05	
Non-productive Real Estate Sales		6,187.50	
Productive Real Estate Sales		2,567.50	
Accts. Receivable—Adaline Baker	60.00		
Coal Accounts	523.97		
Garrett Biblical Institute	5,455.52		
State Bk. of Ev. (Law)	500.77		
		6,540.26	
Total Decrease in Assets by Cash Receipts			36,381.18
LESS ASSETS—INCREASED BY CASH DISBURSEMENTS:			
N. U. Building—Old Bills Paid		6,898.95	
Law Library and Equipment		898.50	
Bills Rec'ble—Tuition Notes—College and Academy		1,545.75	
Bills Rec'ble—Endowment Funds—M. B. Dyche		3,000.00	
Bills Receivable—Sundries—			
Child	74.08		
Jewell	175.00		
Lyman	4.00		
Vail, fl. A	1,000.00		
Towle	1,482.64		
Umbria	10.00		
		2,745.72	
Accts. Rec'ble—Alumni Record	951.20		
Athletic Association	310.29		
Fisk Celebration	646.15		
Marcy Scholarship	50.00		
H. P. Hendricks, Cashier	2,151.58		
Secondary School Conference	74.62		
Leaseholders' Accts., Taxes and Assessments	1,414.01		
Students' Printing Acct. L'w	56.37		
Woman's Med'l School Acct	632.23		
Chapin Hall	266.95		
		6,493.40	
Total increase in Assets by Cash Disb'mts.			21,582.32
NET DECREASE IN ASSETS FOR THE PERIOD AFFECTED BY CASH TRANSACTION			14,798.86
			3,648.45

The difference between the decrease in Assets and decrease in Liabilities, viz.: 3,648.45 is the amount due from Budget Account June 1, 1904.

STATEMENT No. 6.

COMPARATIVE STATEMENT OF TOTAL YEARLY CASH RECEIPTS AND TOTAL YEARLY CASH DISBURSEMENTS FOR THE PERIOD FROM SEPTEMBER 1, 1894, TO JUNE 1, 1904.

SHOWING ANNUAL BUDGET INCOME RECEIPTS AND ANNUAL BUDGET INCOME DISBURSEMENTS, ALSO ANNUAL CASH RECEIPTS AND
ANNUAL CASH DISBURSEMENTS ON SUNDRY ASSET AND LIABILITY ACCOUNTS.

CASH RECEIPTS.		SEPT. 1, 1894, TO SEPT. 1, 1895.	SEPT. 1, 1895, TO SEPT. 1, 1896.	SEPT. 1, 1896, TO SEPT. 1, 1897.	SEPT. 1, 1897, TO JULY 1, 1898.	JULY 1, 1898, TO JULY 1, 1899.	JULY 1, 1899, TO JULY 1, 1900.	JULY 1, 1900, TO JULY 1, 1901.	JULY 1, 1901, TO JULY 1, 1902.	JULY 1, 1902, TO JULY 1, 1903.	JULY 1, 1903, TO JUNE 1, 1904.	SEPT. 1, 1894, TO JUNE 1, 1904.		
University, General	1	\$ 61,339.29	\$ 15,972.97	\$ 40,443.25	\$ 89,574.90	1	\$ 95,982.01	\$ 101,380.33	\$ 107,370.42	\$ 124,434.97	1	\$ 147,787.03	\$ 145,688.02	\$ 920,973.19
Willard Hall	2	21,128.73	20,225.65	20,465.28	16,196.71	2	16,649.63	21,503.38	19,614.73	18,017.62	2	22,271.52	21,513.45	197,586.70
Orrington Lunt Library	3					3					3			
College	4	26,816.61	30,469.29	28,797.66	36,298.57	4	33,794.20	36,950.30	41,858.40	37,909.63	4	50,016.20	53,726.67	376,637.59
Academy	5	14,219.37	13,574.55	11,848.29	12,838.76	5	13,016.97	13,667.24	12,790.06	10,108.29	5	14,018.25	15,060.75	131,142.53
School of Music	6		10,337.08	12,539.00	15,858.94	6	16,166.66	17,813.37	21,706.51	22,565.75	6	31,139.96	34,019.91	182,147.18
N. U. Building & City Univ' Gen'l.	7					7					7	21,848.78	24,061.67	45,910.45
Law School	8	15,628.60	19,853.40	18,829.77	14,026.23	8	16,762.09	17,076.80	15,266.02	15,005.80	8	15,223.98	16,142.04	163,814.73
Pharmacy School	9	35,121.50	30,313.99	25,180.81	20,414.27	9	23,622.69	14,945.16	17,883.41	19,143.61	9	25,310.35	28,562.70	240,528.49
Dental School	10	17,451.31	17,640.34	68,162.44	50,001.71	10	59,227.60	34,520.47	86,639.97	78,814.76	10	92,888.71	81,287.49	586,637.80
Medical School	11	30,684.26	32,963.11	35,785.47	43,268.97	11	35,239.90	40,803.64	48,070.43	65,632.71	11	90,144.45	81,075.86	503,668.80
Woman's Medical School	12	9,848.35	10,935.50	10,346.68	8,570.00	12	7,678.81	4,702.74	5,453.71	4,949.89	12	35.00		62,520.68
Yearly Income Receipts		\$ 232,241.02	\$ 202,285.88	\$ 272,398.65	\$ 307,049.06		\$ 318,140.56	\$ 303,363.43	\$ 376,653.66	\$ 396,583.03		\$ 510,714.29	\$ 501,138.56	\$3,420,568.14
Receipts on Sundry Accounts	13	275,498.03	253,746.10	1,156,035.26	154,176.28	13	119,432.37	84,727.78	677,939.68	461,315.98	13	334,361.79	165,459.43	3,682,693.30
*Total Yearly Receipts		\$ 507,739.65	\$ 456,031.98	\$1,428,433.91	\$ 461,225.34		\$ 437,572.93	388,091.21	1,054,593.34	\$ 857,899.01		\$ 845,076.08	\$ 666,597.99	\$7,103,261.44
CASH DISBURSEMENTS.		SEPT. 1, 1894, TO SEPT. 1, 1895.	SEPT. 1, 1895, TO SEPT. 1, 1896.	SEPT. 1, 1896, TO SEPT. 1, 1897.	SEPT. 1, 1897, TO JULY 1, 1898.	JULY 1, 1898, TO JULY 1, 1899.	JULY 1, 1899, TO JULY 1, 1900.	JULY 1, 1900, TO JULY 1, 1901.	JULY 1, 1901, TO JULY 1, 1902.	JULY 1, 1902, TO JULY 1, 1903.	JULY 1, 1903, TO JUNE 1, 1904.	SEPT. 1, 1894, TO JUNE 1, 1904.		
University General	1	\$ 10,500.01	\$ 12,525.61	\$ 19,569.31	\$ 33,220.40	1	\$ 30,689.03	\$ 24,108.00	\$ 41,303.27	\$ 62,164.76	1	\$ 112,086.50	\$ 108,081.34	\$ 154,248.29
Willard Hall	2	20,187.91	17,533.81	19,109.95	16,747.79	2	17,907.35	20,253.77	20,894.63	24,002.95	2	23,670.42	22,550.85	202,859.43
Orrington Lunt Library	3		3,056.59	2,610.04	3,848.60	3	3,870.28	3,822.94	4,887.84	6,342.00	3	5,775.96	11,389.40	45,603.65
College	4	66,663.77	60,174.41	61,118.43	75,078.30	4	80,829.26	85,410.63	98,284.40	105,297.60	4	110,635.05	106,475.41	849,967.26
Academy	5	19,692.89	18,732.00	19,056.44	17,591.85	5	19,896.36	20,411.85	19,380.28	23,127.40	5	21,146.39	19,683.09	198,718.55
School of Music	6		10,337.08	12,539.00	15,858.94	6	16,576.06	17,411.81	19,984.05	24,288.21	6	32,254.72	25,993.18	175,243.05
N. U. Building & City Univ' Gen'l.	7					7					7	23,670.42	33,927.45	57,597.87
Law School	8	16,664.06	17,694.92	17,798.41	15,765.72	8	19,236.22	19,766.08	20,183.37	19,944.93	8	26,556.97	25,219.62	198,830.28
Pharmacy School	9	31,784.22	33,639.35	30,462.88	26,324.88	9	25,257.23	23,670.69	23,566.05	24,538.46	9	25,081.77	23,274.13	267,599.66
Dental School	10	23,397.18	22,931.02	67,905.03	47,918.52	10	41,975.57	48,473.07	67,178.68	64,959.69	10	65,787.93	57,464.38	507,991.07
Medical School	11	29,756.31	35,352.39	32,665.07	31,928.77	11	33,113.29	53,008.10	53,933.16	59,520.55	11	83,921.65	70,728.16	483,927.45
Woman's Medical School	12	8,692.23	9,221.17	9,849.65	18,317.25	12	12,634.29	12,561.79	10,313.30	11,160.44	12	8,820.03		101,570.15
Yearly Income Disbursements		\$ 227,338.58	\$ 241,198.35	\$ 292,684.21	\$ 302,601.02		\$ 301,984.94	\$ 328,898.73	\$ 379,909.01	\$ 425,346.99		\$ 539,107.87	\$ 504,787.01	\$3,544,156.71
Disbursements on Sundry Accts	13	279,625.85	213,992.11	1,149,848.70	125,882.80	13	158,629.00	56,268.99	683,450.59	423,418.40	13	331,565.85	166,572.54	3,589,254.83
*Total Yearly Disbursements		\$ 506,964.43	\$ 455,190.46	\$1,442,532.91	\$ 428,483.82		\$ 460,613.94	\$ 385,167.72	\$1,063,359.60	\$ 848,765.39		\$ 870,673.72	\$ 671,359.55	\$7,133,411.54

*Totals do not include office clearances, except in 1903 and 1904.

† Department Disbursements of 1903-4 are net, sales and rebates having been deducted.

CASH STATEMENT.

Sept. 1, 1894—Cash Balance on hand		\$ 1,843.69
Receipts for the period		7,103,261.44
Disbursements for the period	\$7,133,411.54	
June 1, 1904—Apparent overdraft		28,306.41
	\$7,133,411.54	\$7,133,411.54

ENT No. 6.

RECEIPTS AND TOTAL YEARLY CASH DISBURSEMENTS SEPTEMBER 1, 1894, TO JUNE 1, 1904.

BUDGET INCOME DISBURSEMENTS, ALSO ANNUAL CASH RECEIPTS AND
VARIOUS ASSET AND LIABILITY ACCOUNTS.

	JULY 1, 1898, TO JULY 1, 1899.	JULY 1, 1899, TO JULY 1, 1900.	JULY 1, 1900, TO JULY 1, 1901.	JULY 1, 1901, TO JULY 1, 1902.		JULY 1, 1902, TO JULY 1, 1903.	JULY 1, 1903, TO JUNE 1, 1904.	SEPT. 1, 1894, TO JUNE 1, 1904.
1	\$ 95,982.01	\$ 101,380.33	\$ 107,370.42	\$ 124,434.97	1	\$ 147,787.03	\$ 145,688.02	\$ 929,973.19
2	16,649.63	21,503.38	19,614.73	18,017.62	2	22,271.52	21,513.45	197,586.70
3					3			
4	33,794.20	36,950.30	41,858.40	37,909.63	4	50,016.20	53,726.67	376,637.59
5	13,016.97	13,667.24	12,790.06	10,108.29	5	14,018.25	15,060.75	131,142.53
6	16,166.66	17,813.37	21,706.51	22,565.75	6	31,139.96	34,019.91	182,147.18
7					7	21,848.78	24,061.67	45,910.45
8	16,762.09	17,076.80	15,266.02	15,005.80	8	15,223.98	16,142.04	163,814.73
9	23,622.69	14,945.16	17,883.41	19,143.61	9	25,340.35	28,562.70	240,528.49
10	59,227.60	34,520.47	86,639.97	78,814.76	10	92,888.71	81,287.49	586,637.80
11	35,239.90	40,803.64	48,070.43	65,632.71	11	90,144.45	81,075.86	503,668.80
12	7,678.81	4,702.74	5,453.71	4,949.89	12	35.00		62,520.68
	\$ 318,140.56	\$ 303,363.43	\$ 376,653.66	\$ 396,583.03		\$ 510,714.29	\$ 501,138.56	\$3,420,568.14
3	119,432.37	84,727.78	677,939.68	461,315.98	13	334,361.79	165,459.43	3,682,693.30
	\$ 437,572.93	388,091.21	1,054,593.34	\$ 857,899.01		\$ 845,076.08	\$ 666,597.99	\$7,103,261.44
	JULY 1, 1898, TO JULY 1, 1899.	JULY 1, 1899, TO JULY 1, 1900.	JULY 1, 1900, TO JULY 1, 1901.	JULY 1, 1901, TO JULY 1, 1902.		JULY 1, 1902, TO JULY 1, 1903.	JULY 1, 1903, TO JUNE 1, 1904.	SEPT. 1, 1894, TO JUNE 1, 1904.
1	\$ 30,689.03	\$ 24,108.00	\$ 41,303.27	\$ 62,164.76	1	\$ 112,086.56	\$ 108,081.34	\$ 454,248.29
2	17,907.35	20,253.77	20,894.63	24,002.95	2	23,670.42	22,550.85	202,859.43
3	3,870.28	3,822.94	4,887.84	6,342.00	3	5,775.96	11,389.40	45,603.65
4	80,829.26	85,410.63	98,284.40	105,297.60	4	110,635.05	106,475.41	849,967.26
5	19,896.36	20,411.85	19,380.28	23,127.40	5	21,146.39	19,683.09	198,718.55
6	16,576.06	17,411.81	19,984.05	24,288.21	6	32,254.72	25,993.18	175,243.05
7					7	23,670.42	33,927.45	57,597.87
8	19,236.22	19,766.08	20,183.35	19,944.93	8	26,556.97	25,219.62	198,830.28
9	25,257.23	23,670.69	23,566.05	24,538.46	9	25,081.77	23,274.13	267,599.66
10	41,975.57	48,473.07	67,178.68	64,959.69	10	65,787.93	57,464.38	507,991.07
11	33,113.29	53,008.10	53,933.10	59,520.55	11	83,921.65	70,728.16	483,927.45
12	12,634.29	12,561.79	10,313.30	11,160.44	12	8,820.03		101,570.15
	\$ 301,984.94	\$ 328,898.73	\$ 379,909.01	\$ 425,346.99		\$ 539,407.87	\$ 504,787.01	\$3,544,156.71
3	158,629.00	56,268.99	683,450.59	423,418.40	13	331,565.85	166,572.54	3,589,254.83
	\$ 460,613.94	\$ 385,167.72	\$1,063,359.60	\$ 848,765.39		\$ 870,973.72	\$ 671,359.55	\$7,133,411.54

1903-4 are net, sales and rebates having been deducted.

A careful study of Statement No. 6 will give you a condensed history of the remarkable development of the University during the past ten years. The increase in number of students, as evidenced by increased income in the various departments, in the past two years of President James' administration, is most worthy of marked attention. In examining this exhibit please remember that the figures for the present year cover only eleven months. Note also that in 1897 and 1898 the date of the beginning of the fiscal year was changed from September to July.

During the period covered by this exhibit the educational departments have created a total deficit of \$123,588.57. In the year 1894-5 the educational departments had a small credit balance. In 1898-9 a credit balance of \$16,155.62. All other years show a deficit, the largest being in 1895-6, amounting to \$38,912.47.

The budget deficit of \$123,588.57 at first thought may cause alarm and create a demand for retrenchment. It certainly is not a thing to be coveted. It shows the urgent need of increased unrestricted endowment. This is the dark side of our condition. There is a bright side. The increase in the value of the books in the Orrington Lunt Library and the equipment in the College of Liberal Arts alone over their estimated value of ten years ago, is nearly equal to the entire deficit of all the educational departments for the period named. There has been a corresponding increase in the value of the equipment in every department.

But it may be fairly said that general equipment, though valuable and necessary assets, are not available for debt paying purposes. This is true. But look at the comparative value of our non-productive real estate and other assets exclusive of property educational, both real and personal; I give you book values from the General Ledger.

ASSET ACCOUNTS.	BALANCE Sept. 1, 1894	BALANCE June 1, 1904	INCREASES	DECREASE
Cash on hands	\$ 1,843.69			\$1,843.69
Non-productive real estate.....	680,712.26	\$ 834,146.89	\$ 153,434.63	
Productive real estate.....	1,656,239.67	3,388,436.41	1,732,196.74	
Securities and Bills Receivable ..	96,486.09	179,637.54	83,151.45	
Accounts Receivable.....	19,746.68	36,473.95	16,727.27	
Total September 1st, 1894	2,455,028.39			
“ June 1st, 1904		4,438,694.79		
Net increase in the above assets for the period			1,983,666.40	
LIABILITY ACCOUNTS.				
Overdraft at Bank.....		\$28,306.41	\$28,306.41	
Bills Payable.....	\$ 255,474.87	1,681,375.00	1,425,900.13	
Trust Funds.....	59,398.74	138,224.79	78,826.05	
Accounts Payable.....	4,363.21	27,673.79	23,310.58	
Total September 1st, 1894.....	319,236.82			
“ June 1st, 1904.....		1,875,579.99		
“ Increase in the above liability for the period.....			1,556,343.17	

The above statement shows;	
1st. The increased value in such assets as listed for the period to be	1,983,666.40
2nd. The increased liabilities as listed (including all the liability of the University), for the period to be	1,556,343.17
Net amount passed to the profit account for the period	427,323.23
Deduct from this the Budget loss for the period of	123,588.27
Net profit in surplus account for the period of	303 734.96

You will note that in the foregoing statement I have not enumerated the present educational property and its equipment, and do not show the increased value of these items for the period named. Let me repeat, however, that the results of the new inventory of the equipment in our educational departments show a marked increase in value; said increase in the College of Liberal Arts alone almost equals the entire deficit for the last ten years. These inventories are being prepared with great care and represent not the cost value of our equipment but its present usable value.

Note also that the valuation on the non-productive real estate and productive real estate is that of 1902. A recent valuation has been placed on our non-productive real estate. This shows a material increase in value over the valuation used above. During the last two years many of our leaseholds have been revalued, and when the increased value of the property thereby represented has been written in the books the surplus account for the period referred to will approximate \$500,000. It is only fair to add that certain items in securities and in bills and accounts receivable should be charged off, or carried into a "suspense account." These matters will be gone into detail in my annual report after they have been acted upon by the Executive Committee.

If I were to take into account the increased values of our buildings used for educational purposes and for the lands they stand on, the gain referred to during the period named would be greatly increased, perhaps by \$500,000, but I have preferred to refer to only what may be termed commercial assets as distinct from educational assets.

Every reasonable effort should be made during the coming year to keep within the income. No extension of the present scope of educational work should be undertaken unless additional income is provided, yet to my mind any decrease from our present standard would be a serious blunder and soon result in a lessening income from tuition, which would more than off-set the saving.

In this connection it is well to note that many new buildings are needed on this campus. Recitation Halls, Laboratories, etc., are now unduly crowded. Yet bear this in mind, if some generous friend should erect a new building for us it would be necessary to appropriate in the budget for its annual maintenance; on the average this is equal to 4 per cent of its cost. Such gifts are greatly needed and are greatly desirable. They increase assets, but they also increase operating expenses. The great need of the Institution is increased unrestricted endowment.

STATEMENT No. 7.

STATEMENT OF ASSETS AND LIABILITIES

JUNE 1, 1904.

ASSETS.

Buildings and Lands used for educational purposes.....	\$3,010,687.75	
Libraries, Museum and Sundry Equipments	334,077.09	
Non-Productive Real Estate.....	834,146.89	
Productive Real Estate	3,388,436.41	
Securities and bills receivable	179,637.54	
Accounts receivable	36,473.95	
Cashiers' balances.....	3,251.31	
	<hr/>	
Total assets		\$7,786,710.94

LIABILITIES PAYABLE.

Bills payable	\$1,681,375.00	
Accounts payable	27,673.79	
Trust funds.....	138,224.79	
Overdraft at bank	28,306.41	
	<hr/>	
Total liabilities payable		1,875,579.99
		<hr/>
		\$5,911,130.95

Many increases in the above assets will appear when the trial balance for the entire year is published in the annual report, arising from increased values, etc., and some decreases also, due to charging off certain accumulated items (worthless or doubtful) in securities and bills receivable.

While it is only just to the University that fair valuation should be placed on buildings and lands devoted to educational purposes, and especially on libraries, museums and equipment, yet in published reports attention should be directed to the fact that this large portion of its assets is not available for income, but that large annual expenditures are necessary to keep it in condition for use. If this is not done the public may gain an erroneous impression of the assets of the University.

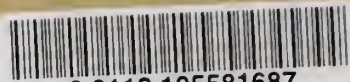
In closing this skeleton report permit me to say a few words about the Business Manager's office. A year or more ago the Executive Committee employed Mr. S. W. Hunt, Public Accountant, to devise and install a modern method of accounting. His system is now fairly complete and is most satisfactory and helpful; undoubtedly each new year's work will suggest new

ideas and result in many minor changes, but in the main I feel safe in saying that very few universities have a system of accounting so complete and satisfactory as ours. I, myself am not an accountant, but through my experience in public affairs in Evanston learned that systematic accounting is an urgent necessity in every large enterprise. I recommend that either Mr. Hunt or some other equally competent man be retained in the service of the University in the capacity of supervising accountant, and that so much of his time be used as may be necessary. The question of auditing naturally arises. In the Chicago offices of the University about \$250,000 are handled annually, and in the main office in Evanston two or three times that amount. Cashiers and bookkeepers have been placed under bonds for the first time within the past few months. Their accounts should be examined frequently, though at irregular intervals. Every effort should be made to see if everything that ought to go into their books has gone into them. The books in the Chicago offices are made to dove-tail into the books in the Evanston office. It should be seen to that they are properly handled. No trustee or group of trustees has the time to attend to this. The supervising accountant should perform all these duties. In his work of auditing he should be an assistant to the Trustee Auditor, and under his control and that of the Finance Committees. In his strictly accounting work he should be under the joint control of the Treasurer and Business Manager.

A word about our method of auditing and approving bills will be instructive. All bills before being paid are passed upon by the Executive Committee; before this they are carefully examined by the assistants in my office; then they come to my desk for examination, thence to our Auditor, Mr. Crandon.

This work on Mr. Crandon's part requires much time, usually his entire Saturday afternoon of each week. From my personal knowledge of his work gained during the last six months I can safely say that it is of the highest order. No paid auditor could possibly render more efficient service in the examination of these bills than Mr. Crandon has given, so freely and generously. I trust he will continue in his work as long as his strength and health permit. But that other kind of auditing to which I have referred is equally important. The University is not safe without it; as Business Manager I am not safe without it. It will cost money, but it may save more than it costs. The University cannot afford to neglect this.

I take this occasion to express my appreciation to the Trustees, especially to the Auditor and Treasurer, for their kindness, courtesy and assistance so freely given me during the past six months in my efforts to gain an insight into the duties of my office.



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